

Kapur - direct

3 A. You want to direct me again on the testimony?

5 A. I don't understand what your question is.

9 A. Correct.

13 A. You're talking about the 2007 transfer --

15 A. Do you have the exhibit?

17 A. The one -- on the transfer that you're talking about.

18 Q. Withdrawn.
19 Mr. Kapur, did you once tell the SEC --

24 Q. When the SEC asked you about it --

25 A. About this 2007 transfer?

SOUTHERN DISTRICT REPORTERS, P.C.
(212) 805-0300

F5keschc Kapur - direct

1 THE COURT: Mr. Kapur, let him finish the question.
2 Q. You told them that you thought it was a loan to your
3 brother, right?

4 A. I corrected that testimony, yes.

5 MR. SOLOTAROFF: Judge, I don't have anything further.

6 THE COURT: Okay. Mr. Kapur, both attorneys have now
7 finished their direct questioning of you. If you would like
8 now, in effect, to do what would be cross-examination, 'you're
9 welcome to do it.

10 Since you are representing yourself, what I'd
11 recommend you do is as follows: There's no need for you to ask
12 yourself a question. That seems silly. Instead, if you want
13 to address a particular topic, just simply preface what you're
14 saying with -- by explaining to me what topic you're going to
15 address; I'm now going to address, for example, the managed
16 accounts we had. I'm now going to address Bank Sarasin. Just
17 so I have a headline, an explanation of what it is you're about
18 to address, okay? Take your time. And if there are topics
19 responsive to what has been covered on direct examination, I'd
20 be delighted to hear from you.

21 MR. KAPUR: Sure.

22 THE COURT: Do you need to take a moment and collect
23 your thoughts?

24 MR. KAPUR: Yes, your Honor.

25 THE COURT: You know what I think makes sense? It's

SOUTHERN DISTRICT REPORTERS, P.C.

(212) 805-0300

F5keschc

Kapur - direct

1 4:50. I think we'll actually have a more efficient
2 presentation if we take a break now and resume tomorrow
3 morning.

4 So here's what's going to happen when we resume:
5 We'll all be here ready to go at 9:30 tomorrow. We're going to
6 resume with Mr. Kapur's cross-examination. So please organize
7 your thoughts overnight so if there are things you want to say
8 in your testimony, they're clearly organized. What I'd
9 recommend you do is organize your thoughts into categories and
10 preface each of them with a topic sentence along the lines that
11 I suggested a moment ago; I am now going to address the Bank
12 Sarasin; I'm now going to address Exhibit 4; that sort of
13 thing. And that will help all of us understand where we're
14 going. And then take your time and just take us through your
15 testimony on those points, okay?

16 THE WITNESS: Yes, your Honor.

17 THE COURT: After that I will permit redirect
18 examination from counsel. And it's likely I will also have
19 some questions of my own.

20 Mr. Roessner, am I correct at that point? Once this
21 witness is complete, the SEC will have rested its case?

22 MR. ROESSNER: Yes, your Honor, that's correct.

23 THE COURT: Mr. Solotaroff, without binding you to it,
24 do you expect to call any witnesses?

25 MR. SOLOTAROFF: No, Judge.

SOUTHERN DISTRICT REPORTERS, P.C.

(212) 805-0300

F5keschc

Kapur - direct

1 THE COURT: So in effect, your case will consist of
2 the exhibits that you have previously received. And then after
3 that, Mr. Kapur, I will give you the opportunity to present any
4 testimony of your own, whether additional testimony literally
5 by yourself personally or testimony by other witnesses or other
6 exhibits, okay?

7 MR. KAPUR: Yes, your Honor.

8 THE COURT: Very good. Is there anything further we
9 need to take up tonight before we break?

10 MR. SOLOTAROFF: No, Judge.

11 MR. ROESSNER: No, your Honor.

12 THE COURT: Thank you very much. I look forward to
13 seeing you all promptly at 9:30 tomorrow. Please be on time.
14 Thank you.

15 (Adjourned to May 21, 2015, at 9:30 a.m.)
16
17
18
19
20
21
22
23
24
25

SOUTHERN DISTRICT REPORTERS, P.C.
(212) 805-0300

1	INDEX OF EXAMINATION	
2	Examination of:	Page
3	BRAD MROSKI	
4	Direct By Mr. Roessner19
5	Cross By Mr. Kapur31
6	JOSEPH ROMANO	
7	Direct By Mr. Roessner34
8	Direct By Mr. Solotaroff40
9	Cross By Mr. Kapur44
10	Redirect By Mr. Solotaroff56
11	CHETAN KAPUR	
12	Direct By Mr. Roessner60
13	Direct By Mr. Solotaroff86
14	COURT EXHIBITS	
15	Exhibit No.	Received
16	1	16{S
17	PLAINTIFF EXHIBITS	
18	Exhibit No.	Received
19	2	100
20		
21		
22		
23		
24		
25		

SOUTHERN DISTRICT REPORTERS, P.C.
(212) 805-0300



ATTACHMENT
FROM
TO
SUBJECT
FOLDER
DATE
TIME
GMT_DATE
GMT_TIME
TEXT01

: * RE: Follow Up
: Adrian Taylor <altaylor@asiacititrust.com>
: Chetan Kapur <chetan@ts-capital.com>
: RE: Follow Up
: \\Public Folders\\All Public Folders\\ThinkStrategy\\Mailbox - Chetan Kapur\\Inbox
= 10/21/2009
= 02:03:05 GMT
= 10/21/2009
= 02:03:05 GMT
: Chetan

We tend to specialise in trustee services and planning in relation to the setting up of a trust as part of an wealth management/protection plan. We don't give financial advice but we do have relationships with a number of institutions (mostly Swiss private banks) that do investment management.

I'm afraid we don't have much experience with Private Foundations - my background is with English common law whereas foundations are very much a creature of civil law jurisdictions.

Regards
Adrian

>>> "Chetan Kapur" <chetan@ts-capital.com> 20/10/2009 2:50 pm >>>

Hi Adrian

I was also going over your website. It seems your firm offers advisory on international asset protection and estate planning, and an "overall plan" for management of family wealth. Is it possible for me to chat with someone on these topics. Does your firm also prepare by-law documents for Private Foundations?

Thanks

From: Adrian Taylor [mailto:altaylor@asiacititrust.com]
Sent: Friday, October 16, 2009 4:43 PM
To: Chetan Kapur
Subject: Re: Follow Up

Dear Chetan

Here is the resolution that needs to be signed by Dr Max Albers before we can move forward with the new trust. We will need the original document signed by Albers in due course but could move forward on the basis of a PDF copy of the document in the first instance.

Lastly I enclose our wire instructions for payment of fees. In this case, because I have had to spend time drafting a fresh deed, I propose that our fees to register the new trust be \$1550 in the first year and \$1350 in second and subsequent years.

Please let me know if you have any queries.

Kind regards

Adrian Taylor
Managing Director - Trust Services Division
Asiaciti Trust Group
Level 2, BCI House
Rarotonga, COOK ISLANDS
Tel: +682 23387
Fax: +682 23385
HYPERLINK "<http://www.asiaciti.com/>"www.asiaciti.com

>>> "Chetan Kapur" <chetan@ts-capital.com> 15/10/2009 11:42 am >>>

Hi Adrian

As discussed, please find an email from me. We can have the trust be named "AP1 Trust" if that works? Pls send me the invoice and will revert with payment. I will get back with the protectors name for AP1 Trust (would like to consult with legal to give appropriate name). thanks

MESSAGEID	: 7f887fd8c7ef6a41b5709e518e5cc6f90780b7@dlknysbs.dlknys.local
MESSAGEINDEX	: 2856
ENTRYID	: 000000001A447390AA6611CD9BC800AA002FC45A09007F887FD8C7EF6A41B5709E518E5CC6F900000007644100007F887FD8C7EF6A41B5709E518E5CC6F90000000780B70000
DOCID	: TSCM_KAPUR0004498
PARENT_DOCID	: TSCM_KAPUR0004498
SOURCE	: ThinkStrategy Capital Management, LLC
PROD_DATE	= 02/07/2011
REQUESTID	= 37532
LOADID	= 35901
DATELOADED	= 02/16/2011

From: Chetan Kapur [mailto:chetan.kapur@aimadvgrp.com]
Sent: Monday, June 28, 2010 6:37 PM
To: Alexandra Kourany - Lawyers
Subject: RE: Fully Managed Company/Foundation -- (1762329/1764521/ET/dl)

Alexandra --

Lets discuss. You are welcome to speak to my accountant that has also provided a strong reference. As mentioned I have never needed a tax attorney. I am happy to provide the statements of the current bank showing assets, and have already detailed in writing the source of funds. I have never been asked for personal tax returns as part of KYC, and this is a very unusual request.

We came to your firm highly referred and have provided you this reference and several others. We have gone through substantial diligence here, and we need to decide on moving forward. Pls call to discuss, as the requests keep coming -- and we need to make a decision here or go with another firm referred to us.

thanks

From: Mossfon Trust Corporation [mailto:mfttrust@mossfon.com]
Sent: Monday, June 28, 2010 7:03 PM
To: Chetan Kapur
Cc: Edison Teano - Mossfon Trust; Alexandra Kourany - Lawyers
Subject: RE: Fully Managed Company/Foundation -- (1762329/1764521/ET/dl)

Dear Mr. Kapur,

Further to Alexandra's message, we confirm that:

1. **STRUCTURE.** We have taken note that you would like to acquire the vintage company QUAITRIDGE INTERNATIONAL ASSETS INC. Therefore, we will keep it reserved for you free of charges. Also, once you comply with our Compliance Dept.'s request, please let us know if you need us to incorporate the foundation FAMILY AND CHILDREN CHARITABLE FOUNDATION as per our previous exchange of e-mails (as understand the foundation would be the holding of the shares of the company QUAITRIDGE INTERNATIONAL ASSETS INC.). We look forward to receive your instructions about this.

2. **DUE DILIGENCE.** In connection with the Due Diligence documents, our Compliance Dept. received a copy of the LIABILITY INSURANCE's certificate of ThinkStrategy and found it in order. On the other hand, in order to complete their files, we highly appreciate that you provide us the following documents/information for our Compliance Dept.:

a. Since you expect to deposit in the Foundation's bank account an amount between US\$6,000,000.00 and US\$7,000,000.00 during the first year, would you please provide us with a statement from your accountants that you have that money, together with your personal annual returns for the last three years. Personal bank statements may also be helpful. Kindly take note that all the information that you provide to us is just for our internal records, and will be treated with the highest level of confidentiality;

Page 89

1 family run businesses with a global perspective, if
2 you will.
3 **Q. And Karan's business, what's the name of**
4 **his entity?**
5 A. It's called Relicking.
6 **Q. We got a little off track. I was going**
7 **through your expenses, and we talked about your**
8 **phone bills previously.**
9 **That's AT&T, and that's paid for by your**
10 **brother, Kabir?**
11 A. It's paid for by credit card, and then he
12 pays my credit card, that's correct.
13 **Q. Do you have cable?**
14 A. I do.
15 **Q. And is that paid for by your credit card?**
16 A. Correct.
17 **Q. You don't own a car at this point?**
18 A. Never did.
19 **Q. Do you have an Uber account?**
20 A. I'm sorry. Could you say that again?
21 **Q. Do you have an Uber account?**
22 A. No.
23 **Q. Do you have any utilities that you're**
24 **required to pay on your own?**
25 A. No.

Page 90

1 **Q. That are paid for by your apartment**
2 **building?**
3 A. Correct.
4 **Q. Gas, electric?**
5 A. It goes on the credit card.
6 **Q. Paid for by Kabir?**
7 A. Currently. Kabir has been assisting me
8 recently, Mr. Roessner. Prior to that, it was my
9 parents. And prior to that or simultaneously,
10 depending on the period, it was my godmother.
11 **Q. Have you been on vacation recently?**
12 A. I went to Miami for a couple days.
13 **Q. When was that?**
14 A. That was in September.
15 **Q. Did you go with anyone?**
16 A. I have friends who live there.
17 **Q. Did you see your brother, Karan, when you**
18 **were down there?**
19 A. No. I believe he was in Bangkok.
20 **Q. When is the last time you left the United**
21 **States?**
22 A. I think 2009, I went for vacation.
23 **Q. Where did you go?**
24 A. We went to a couple places in Europe,
25 France, Holland.

Page 91

1 **Q. Did you go to Switzerland?**
2 A. I think I went there for a couple of
3 days, yes.
4 **Q. Did you open up any accounts in**
5 **Switzerland?**
6 A. No.
7 **Q. Did you meet with any private bankers**
8 **when you were in Switzerland?**
9 A. No, I have family and friends in Geneva.
10 I also went to France and Holland.
11 **Q. Does anybody hold any property or money**
12 **in trust for you?**
13 A. No.
14 **Q. Do you have any records relating to your**
15 **income and expenses?**
16 A. Just my credit card statements.
17 **Q. You don't have QuickBooks or anything**
18 **like that?**
19 A. No.
20 **Q. Have you borrowed money from any bank or**
21 **other lending institution within the past two years?**
22 A. Just my credit card loans.
23 **Q. Have you prepared any financial**
24 **statements in the past five years?**
25 A. For the SEC.

Page 92

1 **Q. Other than that, any other?**
2 A. Not that I recall.
3 **Q. Do you receive or are you entitled to**
4 **receive money from trusts or pension funds?**
5 A. No.
6 **Q. Do you own any memorabilia?**
7 A. No.
8 **Q. Sports memorabilia?**
9 A. I have a Rangers jersey. I don't think
10 it has any value.
11 **Q. Do you have any jewelry?**
12 A. No.
13 **Q. There was a document in one of your Amex**
14 **cards. There was a purchase of jewelry from Bianca**
15 **Jewelry.**
16 **Do you remember that?**
17 A. Correct.
18 **Q. What was that for?**
19 A. It was for an engagement ring.
20 **Q. We talked about that before, and I think**
21 **I recall it was \$100,000, something like that?**
22 A. I think the charge was for that, but the
23 ring was for less.
24 **Q. What happened to that ring?**
25 A. It was returned to my mother.

Page 93

1 Q. Your mother has that ring?
2 A. I believe she sold it.
3 Q. What did she do with the proceeds?
4 A. I don't know.
5 Q. Do you have any documents regarding the
6 transaction?
7 A. No.
8 Q. And when did that occur? I think we
9 talked about this before, but what time period are
10 we talking about?
11 A. I think it's all generally '09.
12 Q. And do you know when your mother disposed
13 of the ring?
14 A. Same time, '09.
15 Q. Did she ever give you any of the proceeds
16 back?
17 A. No.
18 Q. Your mother is currently in Bombay; is
19 that correct?
20 A. That's correct, yes.
21 Q. Besides that, any other jewelry that you
22 own?
23 A. No.
24 Q. Do you have a safety deposit box?
25 A. No.

Page 94

1 Q. Do you have any bonds?
2 A. No.
3 Q. Stocks?
4 A. No.
5 Q. What amounts do you specifically require
6 each month to satisfy your living expenses?
7 A. Could you repeat the question?
8 Q. How much money do you need per month to
9 pay your living expenses?
10 A. It's been 700 to a thousand.
11 Q. How much -- I think you testified before
12 your rent is 3,350?
13 A. Well, my brother considers it his
14 apartment now, since he's paying it. When my
15 parents used to pay, it was part of their loan. So
16 I still considered it my apartment, because they
17 used to add it to the loan that I owe them, but my
18 brother is only adding my personal expenses to the
19 loan. He has taken over the apartment, effectively.
20 Q. He has not taken physical possession of
21 it?
22 A. He will stay there, obviously, when he
23 comes.
24 Q. Does he have any plans to visit?
25 A. I keep telling him to come.

Page 95

1 Q. Did you see any of your family yesterday
2 on Thanksgiving?
3 A. My brother is a US citizen, was in
4 Bangkok. I met with my godmother.
5 Q. Okay. I'm going to go through some
6 assets, just some general questions.
7 Identify all real property that you have
8 opened or had a financial or ownership interest in
9 the last 20 years.
10 A. You mean real estate, by real property,
11 no, none.
12 Q. Do you own any -- have an interest in any
13 real estate in India?
14 A. No.
15 Q. The Cayman Islands?
16 A. No.
17 Q. Switzerland.
18 A. No.
19 Q. In any country?
20 A. No.
21 Q. Have you ever owned any real property?
22 A. No.
23 Q. Through any entity, any entity that you
24 have any beneficial interest in?
25 A. No, none.

Page 96

1 Q. And you're not the beneficiary of any
2 trust?
3 A. No.
4 Q. You were never the settlor of a trust?
5 A. What is that?
6 Q. A settlor, S-E-T-T-L-O-R.
7 A. Not that I recall, no.
8 Q. When you say you don't recall --
9 A. I don't know what a settlor is.
10 Q. Have you ever created a trust?
11 A. Not that I recall.
12 Q. Have you ever provided funds or assets to
13 a trust?
14 A. No.
15 Q. Are there any documents that would
16 refresh your recollection?
17 A. No.
18 Q. E-mails?
19 A. No.
20 Q. Have you ever -- again, I'm not going to
21 get into -- I shouldn't say again.
22 I'm not going to get into legal advice,
23 but have you ever consulted with an attorney
24 regarding creating a trust?
25 A. Not that I recall.

Advanced Background Check Report for Benjamin Claudios Schwarz

Your report for Benjamin Claudios Schwarz contains:

Full Name & Aliases	Properties Search	Bankruptcy
Age	Possible Neighbors	Liens & Judgments
Contact Information	Possible Associates	Marriage & Divorce
Address History	Possible Relatives	Criminal Search

Benjamin Claudios Schwarz, 50

Search ID# 85442244

B Schwarz

CONTACT INFORMATION

Results in this section list publically available phone numbers for, or related to, Benjamin Claudios Schwarz. Sometimes phone numbers are registered to another member of a household such as a spouse or a roommate. Results include "Related" phone contacts for the individual if available. In the event of no direct listing of phone number for the individual, you may be able to contact him/her through the alternative contacts.

Results For Benjamin Claudios Schwarz

Benjamin Claudios Schwarz

160 Gordonhurst Ave
Montclair, NJ 07043-1786

ADDRESS HISTORY (11 addresses associated with Benjamin Claudios Schwarz)

This section lists historical addresses associated with an individual from public records. In most cases the current address is the first or second reported address, however occasionally it appears elsewhere in the list.



Address	Phone Number
---------	--------------

- | | | |
|----|--|----------------|
| 1 | 160 Gordonhurst AVE
Montclair, NJ 07043-1786 | |
| 2 | 48 High ST
Exeter, NH 03833-2920 | (603) 772-3217 |
| 3 | 2825 Broadway
Santa Monica, CA 90404-3102 | |
| 4 | 44 W 11th ST
New York, NY 10011-8778 | (212) 979-6324 |
| 5 | 1700 Main ST
Santa Monica, CA 90401 | |
| 6 | 652 S Sweetzer AVE
Los Angeles, CA 90048-4624 | (603) 772-3217 |
| 7 | 1611 Fletcher AVE
South Pasadena, CA 91030-4803 | |
| 8 | 288 Bridge ST
South Hamilton, MA 01982-1406 | |
| 9 | 94 Curtis RD
Bridgewater, CT 06752 | (323) 874-8809 |
| 10 | 77 N Washington ST
Boston, MA 02114 | |
| 11 | 202 W 1st ST
Los Angeles, CA 90012 | |

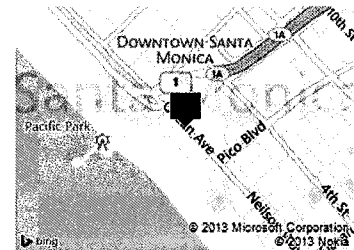
PROPERTIES SEARCH (4 properties associated with Benjamin Claudios Schwarz)

Results in this section include property information for the addresses associated with Benjamin Claudios Schwarz as well as properties owned by the same individual.

Property details for address history:


1 1700 Ocean Ave
Santa Monica, CA 90401
PROPERTY DETAILS

Parcel no:	4290019011
Legal desc.	N/A
Land use	N/A
Sale Price	N/A
Sale Date	N/A
Owner Name	New Santa Monica Beach Hotel L
Owner Address	19200 Von Karman AVE Irvine, CA 92612
Improvement value	0
Land value	0
Total value	0
Year Built	1988
Tax amount	1619692.8
Tax Year	2012
Number of bedrooms	0
Number of full baths	0
Heating	None
Fireplace	None
Garage	None
Sewer	None
Carrier code	C001
Building code	N/A
Quality	None
Square footage	0
Acres	2.6847



2 202 W 1st St
Los Angeles, CA 90012
PROPERTY DETAILS

Parcel no:	5149001006
Legal desc.	N/A
Land use	N/A
Sale Price	N/A
Sale Date	N/A
Owner Name	Ca-los Angeles Times Square LI
Owner Address	202 1st ST W Los Angeles, CA 90012
Improvement value	0
Land value	0
Total value	0
Year Built	1934
Tax amount	330235.22
Tax Year	2012
Number of bedrooms	0
Number of full baths	0
Heating	None
Fireplace	None
Garage	None
Sewer	None
Carrier code	C042
Building code	N/A
Quality	None
Square footage	0
Acres	1.3907

 202 W 1st St Los Angeles CA

3 77 Charles St
Boston, MA 02114
PROPERTY DETAILS